

OCA Comments on Puc 206 Alternative Regulation

The OCA recognizes for purposes of Alternative Regulation there is a difference between telephone utilities and the others types of utilities (electric, gas, water, steam, and sewer) in the state. To the extent the regulated parts of the later are inherently monopolies while the former in some cases may have some competitive services, different types of alternative regulation may be appropriate.

The OCA views the 206 Rules as more appropriate for alternative regulation of non-competitive monopoly utility services, while a second set of rules (perhaps 207) should be developed for truly competitive services.

With that background the OCA generally supports the existing 206 Rules. If the Commission considers any changes to them it should weight those changes against the standards of:

- (1) Maintenance of the just and reasonable standard;
- (2) Maintenance or improvement of quality of service;
- (3) Any system must provide open and auditable allocation of costs between regulated and non-regulated services;
- (4) Keeping sufficient accounting records to enable a return to traditional regulation if necessary; and
- (5) In determining what service should be granted alternative regulations based on competition, the Commission must look at all regions in the state and all customer classes to ensure competitive services are equally available to all customers.